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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1944

No. 882

W. F. AND JOHN BARNES COMPANY, JOHN S. BARNES CORPORATION, AND ODIN CORPORATION,

Petitioners,

vs.

INTERNATIONAL HARVESTER COMPANY AND EX-CELL-O CORPORATION,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

PETITION.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

This petition for writ of certiorari is filed because a decree of the Circuit Court of Appeals for the Seventh Circuit taxes as costs items prohibited by The Fee Bill Act of 1853 (particularly 28 U. S. C. sec. 830) and is in direct conflict with recent applicable decisions of the Supreme Court.

W. F. and John Barnes Company, John S. Barnes Corporation and Odin Corporation respectfully petition this Court to issue writ of certiorari to review a decree of the United States Circuit Court of Appeals for the Seventh Circuit. The decree was entered on November 29, 1944 (R. 206) and affirms a final order of the United States District Court for the Northern District of Illinois, Eastern Division, fixing costs in a patent infringement suit (R. 177). This petition is accompanied by a brief in support thereof and a certified transcript of the record in the case, including the proceedings in the Circuit Court of Appeals, in compliance with Rule 38, Sec. 1, Rules of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

The decree of the Circuit Court of Appeals was entered upon an appeal from the final order of the District Court fixing costs (R. 177), Judge Barnes presiding. This order was entered pursuant to a decree (R. 148) entered on August 28, 1943, in a patent infringement suit brought by the petitioners (the plaintiffs below). The decree of the District Court dismissing the complaint for want of equity, awarded "costs" nakedly to the respondents (the defendants below). It is important that the only reference to costs in the decree is:

> "6. Costs of this proceeding shall be charged against plaintiffs" (R. 150).

The respondents' bill of costs (R. 152) filed December 10, 1943, aggregates a total of $43,096.72. Over objection, on December 20, 1943, the Clerk taxed the costs as claimed except for a few minor items not material here (R. 168).

The petitioners, on December 22, 1943, filed a motion to re-tax costs on the ground that items totalling $30,553.91

were unwarranted and unallowable items of costs (R. 176-177). The grounds continuously urged throughout these proceedings by the petitioners against the taxation of the disputed items are that as between party and party the definition of taxable costs is controlled by statute, rules in conformity with statute, or established practice consistent with statutory enactment.

The particular items in dispute are correctly characterized in the opinion of the Circuit Court of Appeals (R. 199). The principal disputed items comprise:

1. **Colored charts and colored enlargements** of patent drawings, prior art structures, and the accused machines (Item 11 of the Cost Bill, R. 164-166). The aggregate figure of the cost bill for these charts is $19,950.19 (R. 166). This item covers 531 colored charts and enlargements of the usual type employed by a patent expert to explain and amplify opinion testimony. None of the charts in this item was used to prove the identity, existence or date of any prior art structure or accused device; but instead the charts are reproductions, in whole or in part, alone or combined, of other exhibits used to establish the **fact*** of a prior use, a prior patent or an accused machine. The Court referred to some of the charts in its opinion and reproduced a few of them but the Court made no finding that any of the charts was necessary to an understanding of the evidence or to prove the material facts of respondents' case.

2. **Drafting costs for drawings of accused machines** (Item 17 of Cost Bill, R. 167, totalling $4,475.04). Before the trial, upon order of Court, the respondents had produced drawings and diagrams of accused machines (R. 11-12). Such drawings were introduced in evidence by the

* All emphasis used herein is added.

petitioners as part of their case. The drafting costs for drawings of accused machines referred to in Item 17 are not for drawings furnished upon petitioners' demand but are for additional drawings made for the use of respondents' experts especially for the purposes of the trial. The respondents' expert who directed the preparation of the charts and drawings testified that there was no discrepancy between this material covered in Item 17 and those charts and drawings furnished upon order of the Court.

3. **Wooden models and animated charts** used to demonstrate the operation of prior art or accused devices (Items 11 and 12 of the Cost Bill, R. 166), aggregating $1,007.72. Exhibits proving the existence, identity, operation, and dates of the structures were in evidence.

4. Other disputed items cover blueprints, photostats or photographs substituted in lieu of original documents or drawings upon stipulation of counsel (Items 8, 9, 14, and 16 of the Cost Bill, R. 163, 166 and 167); enlargements to 18x24″ of exhibits already in evidence (Item 15 of the Cost Bill, R. 167); certified copies of applications and file wrappers of patents other than the patents in suit (Item 1 of the Cost Bill, R. 162); charges in excess of the statutory rate for taking and certifying depositions (R. 160, 161); and attendance and subsistence fees for respondents' expert while such witness was in attendance consulting and advising with respondents' counsel during petitioners' *prima facie* and rebuttal testimony for a total of seventy-seven (77) days (R. 152-153).

The District Court denied petitioners' motion to re-tax (R. 177).

Thereupon on January 22, 1944, the petitioners appealed to the Circuit Court of Appeals for a review of the trial

court's order denying the petitioners' motion to re-tax costs (R. 178-179). As error, the petitioners asserted that the disputed items were not allowable as costs by any statute, rule, or consistently established practice and that accordingly, the taxation was error as a matter of law (R. 182-184).

On November 29, 1944, the Circuit Court of Appeals affirmed the order of the District Court. In its opinion (R. 198; 63 U.S.P.Q. 317) the Circuit Court of Appeals denied the petitioners' contention that an item may not be taxed as costs in the absence of statutory authority (R. 200); but it failed to point to any rule, practice or usage which established the disputed expenditures as items of costs. Instead, the Court allowed each of the disputed charges as being within the "discretionary power" of the court, "in the discretion" of the court, "in the exercise of its sound discretion", or "solely within its discretion". The Circuit Court cited no law which empowers the trial court with discretion to determine what items are taxable as costs.

On December 13, 1944, the petitioners filed a petition for rehearing (R. 206, 213-231), and on January 5, 1945, the petition was denied (R. 247).

The pertinent premises, as the petitioners view them, may be summarized as follows:

1. No statute establishes the disputed items as costs.

2. No rule of court establishes the disputed items as taxable costs.

3. No usage or practice in the District, Circuit or State establishes the disputed items as taxable costs.

4. The Circuit Court of Appeals permitted taxation of the disputed items as being justified solely by the discretion of the District Court. It ignored the rule

that the discretion of a federal court in respect to costs extends only to allow, withhold or apportion between the parties, but does not extend to a determination as to what is or is not a taxable item of costs.

5. The cases of *Ex Parte Peterson* (1920), 253 U. S. 300, and *Newton* v. *Consolidated Gas Co.* (1924), 265 U. S. 78, relied upon by the Circuit Court of Appeals, do not permit the taxation of items as party to party costs apart from the provisions of the Fee Bill Act of 1853, except upon established practice, usage long continued, or rule, none of which exceptions is here present.

JURISDICTIONAL STATEMENT.

The jurisdiction of this Court is believed to be sustained by Title 28 U. S. C. Sec. 347 (a) (Sec. 240a Judicial Code).

The statute of the United States, the interpretation of which is involved, is popularly know as The Fee Bill Act of 1853, 10 Stats. at Large, 161. Its pertinent provisions[1], 10 Stats. at Large 161, 168, 169, follow:

> *"An Act to Regulate the Fees and Costs to be allowed Clerks, Marshals, and Attorneys of the Circuit and District Courts of the United States, and for other Purposes.*
>
> *"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in lieu of the compensation now allowed by law to attorneys, solicitors, and proctors in the United States courts, to United States district attorneys, clerks of the district and circuit courts, marshals, witnesses, jurors, commissioners, and printers, in the several States, the following and no other compensation shall be taxed and allowed. But this act shall not be construed to prohibit attorneys, solicitors, and proctors from charging to and receiving from their

1. Only the quoted portions are involved in this petition.

clients, other than the Government, such reasonable compensation for their services, in addition to the taxable costs, as may be in accordance with general usage in their respective States, or may be agreed upon between the parties."[2]

* * * *

(The statute then itemizes fees of attorneys, solicitors, and proctors; clerks' fees; marshals' fees; commissioners' fees; witnesses' fees; jurors' fees; and printers' fees. These various itemized amounts have been changed from time to time and are now included in Title 28 U. S. C., Sections 541 to 609.)

* * * *

"The bill of fees of clerk, marshal, and attorneys, and the amount paid printers, and witnesses, and lawful fees for exemplifications and copies of papers necessarily obtained for use on trial in cases where by law costs are recoverable in favor of the prevailing party, shall be taxed by a judge or clerk of the court, and be included in and form a portion of a judgment or decree against the losing party. Such taxed bills shall be filed with the papers in the cause."[3]

* * * *

"Sec. 5. *And be it further enacted,* That all laws and regulations heretofore made, which are incompatible with the provisions of this act, are hereby repealed and abrogated: * * * "

The brief filed in support of this petition will show that The Fee Bill Act is the sole source of authority for the taxation of costs in the Federal courts; no item may be taxed as costs unless it comes within the statute, or within rules or practice consistent with the statute.

The judgment or decree sought to be reviewed is dated November 29, 1944. Petition for rehearing said judgment

2. This section is now incorporated in Title 28 U. S. C., Sections 548, 571, 574 and 579.

3. Now incorporated without change in Title 28 U. S. C., Sec. 830.

or decree was filed and subsequently denied on January 5, 1945. This petition for certiorari is presented in January, 1945, within the three months permitted by Title 28 U. S. C., Sec. 350.

THE QUESTIONS PRESENTED.

The questions presented for consideration by this Court are:

1. In addition to amounts legally taxable as costs between "party and party", is the prevailing party in a patent infringement suit entitled to recover as "costs" anything on account of other expenses and burdens of litigation?
2. May expenditures of litigation be taxed as "party and party" costs against a losing party by a federal trial court sitting in Illinois unless made taxable as such by:
   a) express statutory enactment by Congress;
   b) rules promulgated by authority of Congress;
   c) practice established consistently with governing enactments; or
   d) usage long continued and confirmed by implication from provisions in any statute?
3. Does a federal trial court have discretion to tax as "party and party" costs, expenditures of litigation which are not defined as costs by any statute, rule, or established practice? (It is admitted that such court has discretion as to allowance, withholding, or apportionment of taxable items.)
4. Are expenditures for the following taxable as "party and party" costs on any theory:
   a) Labor and materials in preparing illustrative charts and models for use by a patent expert;
   b) Producing blueprints and photostats, substituted in lieu of original drawings and documents upon stipulation of counsel;

c) Photographs (and duplicating enlargements thereof) and motion picture film of prior art machines, the existence, date and construction of which machines were proved by other exhibits and testimony;

d) Drafting charges for drawings of accused devices when other drawings and disclosures of such devices had been furnished upon motion and order to produce, and had been admitted in evidence;

e) Certified copies of applications and file wrappers of patents, other than those in suit, introduced in evidence but not referred to thereafter;

f) Notaries' charges for taking and certifying depositions in excess of the fees specified in sections 597 and 642, Title 28, U. S. Code;

g) Attendance and subsistence fees for defendants' expert witness at times when he was not testifying?

REASONS FOR GRANTING THE WRIT.

Petitioners submit that this court should exercise its discretion and grant writ of certiorari under the authority of Rule 38, Sec. 5(b), as follows:

1. In permitting a district court to tax as costs, items not made taxable as such by statute, rule, or practice, the Circuit Court of Appeals has decided a federal question in a way probably in conflict with applicable decisions of this court.[4]

2. In reaching the conclusion that a federal court of equity sitting in Illinois has a discretion to define what expenditures of litigation are taxable as costs to either party, the Circuit Court of Appeals has decided a federal question in a

4. Particularly *Ex Parte Peterson* (1920) 253 U. S. 300; *Newton* v. *Consolidated Gas Co.* (1924) 265 U. S. 78; *Kansas City Southern Railway Company* v. *Guardian Trust Company* (1930) 281, U. S. 1; *Rude* v. *Buchhalter* (1932) 286 U. S. 451.

way probably in conflict with applicable decisions of this Court.[5]

3. In purporting to construe the Fee Bill Act of 1853 without considering legislative intent, the Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this court's power of supervision.[6]

The Circuit Court of Appeals purports to base its decision upon the rule of *ex parte Peterson,* 253 U. S. 300, subsequently reiterated in *Newton* v. *Consolidated Gas Co.,* 265 U. S. 78 (R. 200). Under Point 1 above, the petitioners' above, the petitioners' position is that the rule therein stated does not justify the disputed taxation. However, if this court is of the opinion that the rule of *ex parte Peterson* as a matter of law does justify the decision of the Circuit Court of Appeals, the petitioners submit that such rule is erroneous and should be overruled or qualified in the interests of the law. Certiorari has been granted for the purpose of overruling or qualifying decisions of this court in the cases cited in the footnote.[7]

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5. Particularly *The Baltimore* (1869) 75 U. S. (8 Wall.) 377; *Oelrichs* v. *Spain* (1872) 82 U. S. (15 Wall.) 211; *Osborn* v. *Bank of the United States* (1824), 22 U. S. (9 Wheat.) 738; *Langnes* v. *Green* (1931) 282 U. S. 531; *ex parte Peterson* (1920) 253 U. S. 300; *Erie R. R. Co.* v. *Tompkins* (1938) 304 U. S. 64; *Ruhlin* v. *New York Life Ins. Co.* (1938) 304 U. S. 202. See, also, *Ritter* v. *Ritter* (1943) 381 Ill. 549, 46 N. E. (2d) 41 for a resume of the law of the State of Illinois.

6. Particularly in view of *Wright* v. *Vinton Branch* (1937), 300 U. S. 440, 463; *Foster* v. *United States* (1938) 303 U. S. 118, 120; *Apex Hosiery Co.* v. *Leader* (1940) 310 U. S. 469, 489; *United States* v. *Cooper Corp.* (1941) 312 U. S. 600, 605; *Colgate Co.* v. *United States* (1943) 320 U. S. 422, 429; *Harrison* v. *Northern Trust Co.* (1943) 317 U. S. 476, 479.

7. *Baltimore & Carolina Line* v. *Redman* (1935), 295 U. S. 654, 661; *Pokora* v. *Wabash Railway Co.* (1934), 292 U. S. 98, 106; *Ohl & Co.* v. *A. L. Smith Iron Works* (1933), 288 U. S. 170, 175; *Helvering* v. *Hallock* (1940), 309 U. S. 106, 119; *Graves* v. *Schmidlapp* (1942), 315 U. S. 657, 665.

PRAYER.

WHEREFORE your petitioners pray that a writ of certiorari be issued to the United States Court of Appeals for the Seventh Circuit commanding said court to certify and send to this court, on a day to be designated, a full and complete transcript of a record of all of the proceedings of the Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this court; that the judgment of the Circuit Court of Appeals affirming the order of the District Court be reversed; and that the petitioners be granted such other and further relief as may seem proper.

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AND ODIN CORPORATION,
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By: GEORGE I. HAIGHT,
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Respondents.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

INTRODUCTION.

The instant decision of the Circuit Court of Appeals has grave importance to every present or future litigant in the federal courts, particularly in the Seventh Circuit. The effect of the decision is to eliminate any positive rules to control trial courts in the taxation of costs. **Until the rendition of the instant decision, the general rule in this circuit forbade taxation of non-statutory items as costs.**[8]

8. See *McIntosh* v. *Ward* (C. C. A. 7, 1907), 159 Fed. 66, 69; *Allis-Chalmers Co.* v. *United States* (C. C. A. 7, 1908), 162 Fed. 679, 680; *Harding* v. *Corn Products Mfg. Co.* (C. C. A. 7, 1912), 198 Fed. 628, 630; *Tevander* v. *Ruysdael* (C. C. A. 7, 1924), 299 Fed. 746, 749; *Standard Scale & Supply Co. et al.* v. *Cropp Concrete Machinery Co. et al.* (C. C. A. 7, 1925), 6 F. (2d) 447.

Now no rule serves to guide either the litigant or the trial judge; the whole matter of cost taxation has been left to the uncontrolled discretion of the trial courts. The honest suitor will be discouraged in seeking justice. In the instant taxation the Circuit Court of Appeals has granted to the trial court an assumed power, in defiance of statute and in the absence of rule or established practice, to deprive the petitioners of $30,553.91 without due process of any law. In view of the general and widespread importance of the instant decree to all federal litigants, practitioners and courts, since the present decision is the result of serious error in the application of established rules of law, this Court should exercise its power of supervision and issue the writ of certiorari for which petition is made.

The petitioners take the position that a federal trial court may not, solely upon its own discretion, assume to tax as costs the prevailing parties' expenses of litigation; it may not include those expenses not specifically made taxable as items of costs by The Fee Bill Act or other statutory authority, as rule or established practice consistent with the statutes.

Preliminarily, the petitioners outline the background of the law relating to the taxation of costs in the federal courts. They then present the petitioners' reasons for believing that the instant decree should be reviewed by the Supreme Court.

CONGRESS INTENDED TO EXERCISE EXCLUSIVE CONTROL OF COSTS IN THE FEDERAL COURTS.

The first federal statute to mention costs was the Judicial Act of September 24, 1789, Chap. 20, 1 Stats. 73, which created the federal district and circuit courts. The Judicial Act contained references to costs but established

no fee bill. Five days later the Congress passed the Process Act of September 29, 1789, Chap. 21, 1 Stats. 93, which expressly adopted the modes of process and the rates of fees of the state courts as regulations in both the District and Circuit courts established by the Judicial Act. The Process Act was of a temporary nature, continuing in force for only three years, but it did establish the practice in the federal courts of following the law of the respective states to determine what items and amounts should be taxed as costs.

With respect to equity proceedings the act provided as follows:

> "And the forms and modes of proceedings in causes of equity, and of admiralty and maritime jurisdiction, shall be according to the course of the civil law; and the rates of fees the same as are or were last allowed by the states respectively in the court exercising supreme jurisdiction in such causes."

After the practice of following the state law had continued under the Process Act for some fifty years, Congress amended the original Judicial Act of September 24, 1789, by Chapter 188, 5 Stats. 516, Act of August 23, 1842, and granted to the Supreme Court the exclusive power to prescribe the regulations in the trial courts as to the taxation and payment of costs in all proceedings. Chapter 188 also granted to the Supreme Court the exclusive power to make and prescribe a Fee Table to be applicable in the federal courts and provided "the items so stated in said table and none others shall be taxable or allowable in bills of costs." Chapter 188 has not been repealed expressly and except as repealed by implication from subsequent statutes, it should be deemed exclusive. At any rate, it renders illegal any implied discretion in the lower courts to determine what items constitute taxable costs. Presum-

ably it was intended to eliminate the practice of following state law so that taxation in the federal courts would be uniform.

About ten years later, Congress revoked the 1842 delegation to the Supreme Court and passed its own Fee Table, The Fee Bill Act of February 26, 1853, 10 Stats. 161. This Act has never been repealed, although sections of it have been amended from time to time to alter some of the charges fixed thereby. It is today, with its amendments, the sole statutory authority for cost taxation.

The Fee Bill Act was introduced in the 32nd Congress on January 29, 1852, as House of Representatives Bill No. 146. Rep. McLanahan had charge of the bill's passage in the House and described the bill as "a plan for the fair and just taxation of costs in the Federal Courts of the United States" (24 Cong. Globe 2086). He stated that the object of the bill was not "merely to reduce the fees of the ministerial officers of the federal courts" but that in addition it was

> "* * * to prepare a bill that will establish **a uniform system** for the taxation of costs;[9] to devise a law that will be explicit, definite and clear, so as to prevent all abuses growing out of ingenious interpretations, and to cut off all constructive services and all unnecessary prolixity and useless forms. * * * It will * * * prevent 'the pollers and exacters of fees' from fleecing those whose faults or misfortunes have driven them into courts of justice, and subjected them to the tender mercies of the law." (24 Cong. Globe 2089.)

He further stated that the "bill proposes **item fees for every item** that should be taxed" and described it as "**a**

9. Mr. Justice Frankfurter said: "* * * the Act of Feb. 26, 1853, * * * set a uniform scale of fees for 'party and party' costs in the Federal courts." *Sprague* v. *Ticonic National Bank*, 307 U. S. 161, 165.

uniform system that will work * * * throughout the whole United States—a system at once just, equal, equitable and economical." (24 Cong. Globe 2186.)

Rep. Seymour stated that the bill "not only assumes to provide for the regulation of fees and compensation for these officers of the government, but also the fees and *everything* that appertains to the administration of justice between citizens in civil suits, so far as compensation or fees are concerned." (24 Cong. Globe 2126.)

On February 12, 1853, Sen. Bradbury, who had charge of the bill in the Senate, urged the passage of "The Fee Bill" and remarked:

> "The bill is designed to regulate the fees and compensation of district attorneys, marshals, clerks, commissioners, jurors, and witnesses in the circuit and district courts of the United States, and **to prescribe the costs** which shall be taxed and recovered in these courts **against the losing party in civil suits.** The bill has, then, two objects in view; and a brief reference to the existing state of things, and the flagrant abuses that have grown up under the present system, will demonstrate the necessity of some measure of the kind.
>
> **There is now no uniform rule** either for compensating the ministerial officers of the courts, or **for the regulation of the costs** in actions between private suitors. One system prevails in one district, and a totally different one in another; and in some cases it would be difficult to ascertain that any attention had been paid to any law whatever designed to regulate such proceedings.
>
> It is not only the officers of the courts, but the suitors also, that are affected by the present unequal, extravagant, and often oppressive system.
>
> It is to correct the evils and remedy the defects of the present system that the bill has been prepared and passed by the House of Representatives. **It attempts to simplify the taxation of fees, by prescribing a limited number of definite items to be allowed.** It is

not in all respects such a bill as I would have preferred, but it is believed to be an improvement upon the present system." (27 Cong. Globe 207.)

Following the passage of this bill, the federal trial courts immediately recognized the legislative intent that the Fee Bill was exclusive. They forbade the taxation of items not specifically set forth in the statute.[10] Manifestly, the maxim *expressio unius est exclusio alterius* applies to The Fee Bill Act.

Since 1853, the Supreme Court of the United States has consistently recognized the force of the statute and has refused to permit the lower federal courts to tax as costs any items which are not specifically set forth in The Fee Bill Act or which are not authorized by any other statute enacted by the Congress.

It is true that the Supreme Court occasionally has broadly stated that questions of costs in equity are discretionary. Clearly, the discretion to which the Court refers must be understood as legal discretion, that is, a discretion to be exercised within the limits which The Fee Bill Act and other statutes fix in such cases. There is ample room for the exercise of this discretion without transcending any rule of law. The power should be limited to discretion to allow, withhold or apportion costs within statutory limits. In spite of the broad dicta, however, the Supreme Court has never gone beyond the Fee Bill Act, as originally enacted or as amended, in awarding non-statutory items of costs except in the following classes of items (none of which embraces the case at bar) namely:

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10. *United States* v. *One Package of Ready-Made Clothing*, D. C. N. Y. 1853, 27 Fed. Cas. 310, Case No. 15950; *Dedekam* v. *Vose*, C. C. N. Y. 1853, 7 Fed. Cas. 339, Case No. 3731; *Thorne* v. *The Victoria*, D. C. N. Y. 1852, 23 Fed. Cas. 1131, Case No. 13,988; and *Lyell* v. *Miller et al.*, C. C. Mich. 1855, 15 Fed. Cas. 1137, Case No. 8620.

1. Where the decree allows or the facts of the case warrant the taxation of "solicitor and client" costs, as in *Sprague* v. *Ticonic National Bank,* 307 U. S. 161.
2. Where the item is made taxable by rule or practice consistent with statute,[11] as in *Newton* v. *Consolidated Gas Co.,* 265 U. S. 78.
3. Where the item is made taxable by state law,[12] as in *ex parte Peterson,* 253 U. S. 300.

Both the applicability and the validity of these exceptions may be eliminated from our consideration of the instant petition because the taxation is not urged on the basis of the stated exceptions, either by respondents' affidavits or by the opinion of the Circuit Court of Appeals.

With this background, the petitioners discuss the decree of the Circuit Court of Appeals and demonstrate that the award of an item of expense not established as taxable pursuant to any statute, is contrary to the pertinent decisions of this Court.

IN PERMITTING A DISTRICT COURT TO TAX AS COSTS ITEMS NOT MADE TAXABLE AS SUCH BY STATUTE, RULE, OR PRACTICE, THE CIRCUIT COURT OF APPEALS HAS DECIDED A FEDERAL QUESTION IN A WAY PROBABLY IN CONFLICT WITH APPLICABLE DECISIONS OF THIS COURT.

The decision of the Circuit Court of Appeals is largely premised upon the following language, quoted in the decision, from the opinion in *ex parte Peterson,* 253 U. S.

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11. The statutory authority for this exception is perhaps based upon Title 28 U. S. C., Sections 723(b), 723(c), 730 and 731.

12. The statutory authority for this exception is perhaps based upon Title 28 U. S. C., Sections 723, 724 and 725, and upon the usage established under The Process Act of Sept. 29, 1789, 1 Stats. 93.

300, and upon *Newton* v. *Consolidated Gas Co.*, 265 U. S. 78, to which cases the Circuit Court of Appeals referred immediately after quoting from The Fee Bill Act. The quotation from the *Peterson* case is (pp. 315-316):

> "Federal trial courts have, sometimes by general rule, sometimes by decision upon the facts of a particular case, included in the taxable costs expenditures incident to the litigation which were ordered by the court because deemed essential to a proper consideration of the case by the court or the jury. Equity Rule 68 provides for taxing the fees of masters and Rule 50 for the expense of a stenographer. Both rules embody substantially the practice which had theretofore prevailed generally in equity proceedings, and which in the Southern District of New York had been followed not only in equity * * * but also in admiralty * * *
>
> "The allowance of costs in the federal courts rests not upon express statutory enactment by Congress, but upon usage long continued and confirmed by implication from provisions in many statutes."

The Circuit Court of Appeals has interpreted this language to mean that there need be no statutory authority to warrant the taxation of expenses of litigation as "costs"; but that a trial court has a wide discretion in the absence of statute to determine what items are taxable as costs.

The interpretation put upon the *Peterson* and *Newton* cases is erroneous; does not consider the decisions as a whole; and does not give consideration to subsequent decisions of the Supreme Court relating to costs. Whether statutory authority for the taxation of costs be found in one statute or in many, statutory authority must be found, either directly defining taxable items or indirectly giving rise to a rule or usage founded upon statutory authority.

At least twice since the decisions in the *Newton* and *Peterson* cases, two Circuit Courts of Appeals have made the

same error as that into which the Circuit Court of Appeals fell in the instant case. Each of these decisions, one from the Eighth Circuit and one from the Tenth Circuit has been reviewed on certiorari by the Supreme Court; each has been reversed.

Guardian Trust Co. v. *Kansas City Southern Ry. Co.*, arose in the Eighth Circuit. The Circuit Court of Appeals, 28 F. (2d) 233, determined that Guardian Trust Company might have taxed as costs in its favor certain expenses of litigation as well as attorneys' fees, relying upon the *Peterson* and *Newton* decisions.

Upon certiorari, 281 U. S. 1, the question before the Court is stated as follows: (p. 4)

> "The question is whether the Guardian Trust Company, in addition to amounts taxable as costs between party and party, is entitled to recover anything on on account of counsel fees **or other expenses** as costs between solicitor and client."

The Court answered the question in the negative, reversing the Eighth Circuit, stating at p. 9, the following:

> "The decree here affirmed required the 'taxation of costs . . . under the principles, rules and practice in equity.' It undoubtedly covered ascertainment of amounts taxable between party and party. There was no specific reference to any additional allowance. The language used disclosed no intention to require more than the usual taxation. **When used in a judgment or decree without qualification, the word 'costs' means the amounts taxable as such under Acts of Congress, rules promulgated by its authority and practice established consistently with governing enactments.** *Newton* v. *Consolidated Gas Co.*, 265 U. S. 78, 83. *Ex parte Peterson*, 253 U. S. 300, 316. In actions at law costs follow the result as of course, but in equity costs not

otherwise governed by statute are given or withheld in the sound discretion of the court according to the facts and circumstances of the case. The nominal amounts fixed by statute (28 U. S. C. §§ 571, 572) and taxable as attorneys' fees are not meant to cover the compensation to which lawyers in charge of the litigation are reasonably entitled. A decree merely allowing costs to be taxed does not mean that anything is to be included on account of counsel fees in addition to the amount specified in the statute. **Even if it be assumed that federal equity courts have jurisdiction to allow costs as between solicitor and client** and to include therein attorneys' fees in excess of the amount prescribed by statute—and as to that we express no opinion—**the purpose to authorize such costs and to make such allowance should be clearly expressed in the decree.** 2 Daniell's Chancery Pleading and Practice, 6th Ed. p. 1410."

In support of this decision the Court cited its previous decision in the *Peterson* and *Newton* cases. The Court lifted a beacon light that the decisions in those cases permit no departure from statutory authority.

But again in *Buchhalter* v. *Rude,* 54 F. (2d) 834, a Circuit Court of Appeals fell into error, this time the Tenth Circuit. At p. 838 of the opinion, the Court stated the contention against the taxation of costs, as follows:

> "* * * it is earnestly insisted that this court is without power, according to the established usages of equity, to allow the **expenses of litigation,** including counsel fees, to the prevailing party; that the only counsel fees which may be allowed are those in the statute covering taxable costs."

This contention was overruled by a determination that the trial court had power to tax as costs expenses of litigation which have no foundation in statute.

Upon certiorari the Circuit Court of Appeals was reversed, 286 U. S. 451. The argument of the petitioner is summarized at p. 453 as follows:

> "The decree awarding such fees and expenses is contrary to principle and to all precedent. 'Fee bill' statute, 28 U.S.C., §§ 571-572.
>
> "In contemplation of law the fees prescribed in the fee bill are full indemnity for the litigation and, **while a court of equity has discretion to award, withhold or apportion costs, the amount of costs which the court may award is limited by the statute.**[13] *Henkel* v. *Chicago, St. P. M. & O. R. Co.*, 284 U. S. 444; *Arcambel* v. *Wiseman*, 3 Dall. 306; *Hauenstein* v. *Lynham*, 100 U. S. 483; *The Baltimore*, 8 Wall. 377; *Motion Picture Co.* v. *Steiner*, 201 Fed. 63; *Guardian Trust Co.* v. *Kansas City Sou. Ry. Co.*, 28 F. (2d) 233, reversed 281 U. S. 1".

In its decision, the Court said (p. 459):

> "First to be considered is the command of the Circuit Court of Appeals that the district court deduct from petitioner's share the 'court costs and **expenses** to which Buchhalter' has 'been put in this litigation including reasonable attorneys' fees to be determined by the trial court.'
>
> "This is not a taxation of costs as between solicitor and client. Cf. *Guardian Trust Co.* v. *Kansas City Southern Ry. Co.*, 28 F. (2d) 233; 281 U. S. 1. **The only costs allowed to be included** in the money judgment against petitioner **are those taxable as between party and party;** counsel fees or **other expenses not so taxable are not to be included.**"

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13. The Illinois Supreme Court states: "While a court of equity has discretion in awarding costs in chancery causes, it must confine that discretion to the fees allowed by the statute." *Constant* v. *Matteson*, 22 Ill. 546, 560.

The Supreme Court not only disallowed attorneys' fees in reversing the Eighth and Tenth Circuits but also disallowed "other expenses" of litigation. For instance in the *Kansas City* case, these "other expenses" were incident to the testimony of an accounting expert, squarely analogous to the expenses taxed here as incident to the testimony of a patent expert. Furthermore, the *Kansas City* and *Buchhalter* decisions make it clear that in a decree providing without qualification for the taxation of costs only party to party costs are taxable and that in addition such costs must find statutory sanction either directly or in rules or practice promulgated and established under statutory authority. Particularly the *Kansas City* case makes clear that the discretion of a trial court in equity as to costs extends only to the giving or withholding of costs and not as to the items which are taxable as costs between party and party. Consistently the Supreme Court has so held since 1870. See *in re Paschal,* 77 U. S. 483, 493; and *Trustees* v. *Greenough,* 105 U. S. 527, 533. Each of these cases holds that as between party and party, taxed costs are confined to those allowed by The Fee Bill Act.

In *Sprague* v. *Ticonic National Bank* (1939), 307 U. S. 161, the Court observed, page 165, footnote 2, that

> "The power of the Federal Courts to give costs was recognized by implication in the First Judiciary Act. Act of September 24, 1789, Ch. 20, Sec. 20, 1 Stat. 83. The statutory system prior to 1853 required 'party and party' costs to be taxed on the basis of the fees allowed by state practice, but **the Act of Febr. 26, 1853, Ch. 80, 10 Stat. 161, set a uniform scale of fees for 'party and party' costs** in the Federal Courts."

IN REACHING THE CONCLUSION THAT THE DISCRETIONARY POWER OF A FEDERAL COURT OF EQUITY SITTING IN ILLINOIS TO AWARD, WITHHOLD OR APPORTION COSTS EXTENDS TO A DISCRETION TO DETERMINE WHAT EXPENDITURES OF LITIGATION ARE TAXABLE AS COSTS TO EITHER PARTY, THE CIRCUIT COURT OF APPEALS HAS DECIDED A FEDERAL QUESTION IN A WAY PROBABLY IN CONFLICT WITH APPLICABLE DECISIONS OF THIS COURT.

An additional fallacy in the opinion of the Circuit Court of Appeals is the determination that a federal trial court has discretionary power to determine what items are taxable as costs between the parties.

The Supreme Court has decided this contention adversely to the decision of the Circuit Court of Appeals.

The case of *The Baltimore* (1869), 75 U. S. (8 Wall.) 377, is one of the first Supreme Court decisions to make a thorough analysis of the law of costs subsequent to the passage of The Fee Bill Act. This case discusses costs law both prior to and subsequent to the Act and concludes that the prevailing party in federal litigation is entitled to costs. The opinion of the Court states, page 390,

> "* * * that Congress intended to leave the whole matter to the discretion of the court trying the case * * * **cannot be admitted.**"

Again in *Oelrichs* v. *Spain* (1872), 82 U. S. (15 Wall.) 211, 231, this court held that a court of equity may allow "only the taxable costs" and held that there must be fixed standards for each item of costs to be taxed in the federal courts.

It is true that both *The Baltimore* and the *Oelrichs* cases are directed primarily to attorneys' fees, but the reasoning

applies to all cost taxation. Indeed, this court has unequivocally asserted the general principle that a federal court has no discretion or power beyond the limits of the law in *Osborn* v. *Bank of the United States* (1824, Opinion of the court by Mr. Chief Justice Marshall) 22 U. S. (9 Wheat.) 738, 866. See also, *Langnes* v. *Green* (1931, Opinion of the Court by Mr. Justice Sutherland) 282 U. S. 531, 541.

Since there is no federal statute granting such discretion to a court in equity, it becomes pertinent to examine the state authorities under the doctrine recognized by *Erie Railway Co.* v. *Tompkins* (1938), 304 U. S. 64, 78, and *ex Parte Peterson* (1920), 253 U. S. 300. The state authorities are likewise uniform in their holding that while a court of equity has a discretion in awarding costs in chancery causes, it must confine that discretion to the fees allowed by statute. *Constant* v. *Matteson* (1859), 22 Ill. 546, 560; *Goudy* v. *Mayberry* (1916), 272 Ill. 54, 58; and *Ritter* v. *Ritter* (1943), 381 Ill. 549, 553.

In *Ritter* v. *Ritter* (Ill. Supreme Court 1943), 381 Ill. 549, the Court collected a substantial majority of the Illinois authorities and, at page 552, said:

> "The allowance and recovery of costs rests entirely upon statutory provisions and no liability for costs exists in the absence of statutory authorization. Any party to an action, claiming the right to recover costs from his adversary, must found his right upon some provision of a statute. This has been the law in this state from the earliest time (citing cases). A court of chancery may be vested with a power to exercise a discretion in awarding costs **but the power to act must come from a statute and the discretion must be confined to that which is authorized by legislative enactment.** (Citing cases.)

"The rule is also well established that attorney fees and **the ordinary expenses and burdens of litigation are not allowable to the successful party in the absence of a statute** or in the absence of some agreement or stipulation specially authorizing the allowance thereof, and **this rule applies equally in courts of law and in courts of equity.** (Citing cases.) Our statutes authorize the taxation of solicitor's fees as costs in partition cases but prior to the act authorizing it, the law was that they could not be so taxed. (Citing cases.)

"It may be that the statutory costs awarded to a successful plaintiff are inadequate to compensate him for the injury caused by the defendant's wrongful conduct, but **the question of the amount of costs which are to be allowed the successful party and the items of expense to be included therein is a question to be determined by the legislature and not by the courts.** (Citing cases.)

IN PURPORTING TO CONSTRUE THE FEE BILL ACT OF 1853 WITHOUT CONSIDERING LEGISLATIVE INTENT, THE CIRCUIT COURT OF APPEALS HAS SO FAR DEPARTED FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS AS TO CALL FOR AN EXERCISE OF THIS COURT'S POWER OF SUPERVISION.

The instant decree of the Circuit Court of Appeals involves a construction of The Fee Bill Act of 1853. The petitioners contended that there must be specific statutory authority before an item may be taxed as costs, and that authority to tax all party and party costs is derived from The Fee Bill Act of 1853, especially 28 U. S. C. Section 830. The Circuit Court of Appeals in interpreting that statute, without consideration of its legislative history and the manifest intent of Congress, ignored "the duty of the court to discover the intention of the legislature, and to

respect that intention." *Pennington* v. *Coxe* (1804, Opinion of the Court by Mr. Chief Justice Marshall) 6 U. S. (2 Cranch.) 33, 59.

The remarks of the legislators in charge of the passage of the Bill in Congress, both in the House and in the Senate, clearly show that Congress intended the Act to be exclusive of all party to party costs (see this brief, pages 15 to 17).

In *Harrison* v. *Northern Trust Co.* (1943, Opinion by Mr. Justice Murphy), 317 U. S. 476, the court granted certiorari to the Circuit Court of Appeals for the Seventh Circuit for the purpose of construing an Act of Congress. At page 479, the Court said:

> "In so doing, the court below refused to examine the legislative history of Section 807, on the ground that the section was unambiguous.
>
> "But words are inexact tools at best, and for that reason there is wisely no rule of law forbidding resort to explanatory legislative history no matter how 'clear the words may appear on superficial examination'."

In the performance of the function of interpreting a statute, the Court universally interprets the words of the statute in the light of its legislative history and explanations given on the floor of Congress by those in charge of the measure. *Wright* v. *Vinton Branch,* (1937), 300 U. S. 440, 463; *Foster* v. *United States* (1938) 303 U. S. 118, 120; *Apex Hosiery Co.* v. *Leader* (1940), 310 U. S. 469, 489; *United States* v. *Cooper Corp.* (1941), 312 U. S. 600, 605; *Colgate Co.* v. *United States* (1943), 320 U. S. 422, 429; *Harrison* v. *Northern Trust Co.* (1943), 317 U. S. 476, 479.

This failure to consider the legislative history, in view of the universal practice of the Supreme Court, should impel this Court to exercise its power of supervision.

IF THE SUPREME COURT DID INTEND TO ESTABLISH NEW RULES FOR TAXATION OF COSTS IN EX PARTE PETERSON, THE DECISION SHOULD BE EITHER LIMITED OR OVERRULED.

The Circuit Court of Appeals purports to base its decision upon the rule of *ex parte Peterson,* 253 U. S. 300, subsequently reiterated in *Newton* v. *Consolidated Gas Co.,* 265 U. S. 78 (R. 200). Under Point I above (see this brief, page 18), the petitioners' position is that the rule therein stated does not justify the disputed taxation. However, if this court is of the opinion that the rule of *ex parte Peterson* as a matter of law does justify the decision of the Circuit Court of Appeals, the petitioners submit that such rule is erroneous and should be overruled or qualified. Certiorari has been granted for the purpose of overruling or qualifying decisions of this court in the cases cited in the footnote.[14]

The broad interpretation given to the *Peterson* decision by the Circuit Court of Appeals is patently at variance with the expressed intent of the legislature and with the judicial recognition of that legislative intent for a period of over ninety years, commencing immediately after the passage of the Fee Bill. Under such circumstances, the *Peterson* case should not be extended to distort the term "**usage** long continued by implication from provisions of many statutes." In effect the Circuit Court of Appeals' interpretation is synonymous with "**discretion.**" If the *Peterson* case so holds, it should be reversed.

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14. *Baltimore & Carolina Line* v. *Redman* (1935), 295 U. S. 654, 661; *Pokora* v. *Wabash Railway Co.* (1934), 292 U. S. 98, 106; *Ohl & Co.* v. *A. L. Smith Iron Works* (1933), 288 U. S. 170, 175; *Helvering* v. *Hallock* (1940), 309 U. S. 106, 119; *Graves* v. *Schmidlapp* (1942), 315 U. S. 657, 665.

The Supreme Court has said that no federal court has

> "powers limited by its own discretion merely. • • • the courts created by statute must look to the statute as the warrant for their authority; certainly they cannot go beyond the statute, and assert an authority with which they may not be invested by it, • • • The courts of the United States are all limited in their nature and constitution, and have not the powers inherent in courts existing by prescription or by the common law."[15]

In *Helvering* v. *Hallock* (1940), 309 U. S. 106, 119, Mr. Justice Frankfurter delivered the opinion of the court and said:

> "We recognize that *stare decisis* embodies an important social policy. It represents an element of continuity in law, and is rooted in the psychologic need to satisfy reasonable expectations. But *stare decisis* is a principle of policy and not a mechanical formula of adherence to the latest decision, however recent and questionable, when such adherence involves collision with a prior doctrine more embracing in its scope, intrinsically sounder, and verified by experience."

The stretched adherence of the Circuit Court of Appeals with the *Peterson* decision involves collision with a prior doctrine more embracing in its scope, intrinsically sounder, and verified by experience. The prior doctrine which limits taxation to statutory items and amounts is wholly justified. It covers the entire subject of fees and costs in the federal courts; it is soundly based upon the Constitution of

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15. *Cary* v. *Curtis* (1845), 44 U. S. (3 How.) 236, 245.

See, also *Bollman* v. *Swartwout* (1807), 8 U. S. (4 Cr.) 75, 93; *The Mayor* v. *Cooper* (1867), 73 U. S. (6 Wall.) 247, 252; *Case of the Sewing Machine Companies* (1873), 85 U. S. (18 Wall.) 553, 577; *Fink* v. *O'Neil* (1882), 106 U. S. 272, 280; *Kentucky* v. *Powers* (1906), 201 U. S. 1, 24; *Ebert* v. *Poston* (1925), 266 U. S. 548, 554; *U. S.* v. *Cooper Corporation* (1941), 312 U. S. 600, 605; *11 Am. Juris. 900, Constitutional Law, Sec. 198.*

the United States and upon the expressed intention of Congress.

The *Peterson* case has been cited alone on questions involving the allowance of costs as distinguished from its taxation. On this question there is substantial agreement that the *Peterson* case holds that a prevailing party in an action at law is entitled to all costs as a matter of right.[16] (This rule has been now changed by Rule 54(d) R. C. P.[17].) Other cases cite the *Peterson* decision to show that a court of equity has discretion to disallow costs[18] and to apportion costs.[19]

It is when we reach the application of the *Peterson* and *Newton* cases to cost taxation that a true confusion is discovered. Some cases construe the language of the *Peterson* cases very strictly and limit costs to an established practice[20] or rule of court.[21] On the other hand, other cases construe the language of the cases very broadly and hold that the statutes and rules are not exclusive, and that items may be allowable in the discretion of the court.[22] Two of

16. *Perkins* v. *Thomas* (C. C. A. 5, 1936), 86 F. (2d) 954, 957. *United States* v. *E. J. Biggs Const. Co.* (C. C. A. 7, 1940), 116 F. (2d) 768, 775.

17. *United States* v. *E. J. Biggs Const. Co.* (C. C. A. 7, 1940), 116 F. (2d) 768, 775.

18. *Andersen, Meyer & Co.* v. *Fur & Wool Trading Co.* (C. C. A. 9, 1926), 14 F. (2d) 586, 589.

19. *Ladd* v. *Tallman* (C. C. A. 4, 1932), 59 F. (2d) 732, 733.

20. *Kansas City Southern Ry. Co.* v. *Trust Co.* (1930), 281 U. S. 1, 9, *Crowe* v. *Peaslee Gaulbert Co.* (C. C. A. 1, 1930), 37 F. (2d) 216, 220. *Kroger Grocery & Baking Co.* v. *Martin* (C. C. A. 6, 1938), 97 F. (2d) 348, 349.

21. *Kansas City So. Ry. Co.* v. *Trust Co.* (1930), 281 U. S. 1, 9. *In re Borok* (C. C. A. 2, 1931), 50 F. (2d) 75, 78.

22. *Guardian Trust Co.* v. *Kansas City Southern Ry. Co.* (C. C. A. 8, 1928), 28 F. (2d) 233, 242, 243. Reversed 281 U. S. 1. *Buchhalter* v. *Rude* (C. C. A. 10, 1931), 54 F. (2d) 834, 838. Reversed 286 U. S. 451. *Harris* v. *Twentieth Century-Fox* (C. C. A. 2, 1943), 139 F. (2d) 571, 572.

the cases construing the language thus broadly have been reversed.[23] These two viewpoints are wholly incompatible.

In addition, the cases are sometimes cited to sustain the viewpoint that federal courts follow the state laws in the absence of express federal statute.[24] Still other decisions cite the *Peterson* and *Newton* cases to sustain the taxation of compensation for officers of the court appointed by prior order of the court.[25] Neither of these viewpoints is invoked to justify the instant taxation.

The granting of certiorari will enable the Supreme Court to qualify or limit the scope of the *Peterson* case so as to eliminate this confusion. Pertinently, the viewpoints taken by this Circuit Court of Appeals to justify the instant taxation has twice been reversed.

CONCLUSION.

In conclusion, it is apparent that The Fee Bill Act and subsequent federal statutory authority either are or are not the exclusive law of costs in the federal courts. If they are exclusive, as the petitioners assert, then the judgment is in error, because it does not justify the taxation upon The

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23. *Guardian Trust Co.* v. *Kansas City Southern Ry. Co.* (C. C. A. 8, 1928), 28 F. (2d) 233, 242, 243. Reversed 281 U. S. 1. *Buchhalter* v. *Rude* (C. C. A. 10, 1931), 54 F. (2d) 834, 838. Reversed 286 U. S. 451.

24. *Sioux County* v. *National Surety Co.* (1928), 276 U. S. 238, 241. *Henkel* v. *Chicago etc. Ry.* (1932), 284 U. S. 444, 446. *National Surety Co.* v. *Lyons* (C. C. A. 8, 1926), 16 F. (2d) 688, 692. *Williams* v. *Sawyer Bros.* (C. C. A. 2, 1931), 51 F. (2d) 1004. *American Title & Trust Co.* v. *Gulf Refining Co.* (C. C. A. 2, 1934), 72 F. (2d) 248, 251. *Gleckman* v. *United States* (C. C. A. 8, 1935), 80 F. (2d) 394, 399, 403. *Gold Dust Corporation* v. *Hoffenberg* (C. C. A. 2, 1937), 87 F. (2d) 451, 453.

25. *Franz* v. *Buder* (C. C. A. 8, 1930), 38 F. (2d) 605, 606. *Associated Almond Growers* v. *Wymond* (C. C. A. 9, 1934), 69 F. (2d) 912, 914. *Graffis* v. *Woodward* (C. C. A. 7, 1938), 96 F. (2d) 329, 332.

Fee Bill Act or upon any other statutory authority. If they are not exclusive, then since there is no general federal law, the Circuit Court of Appeals should have looked to the law of the State of Illinois, and the judgment is in error for failure to apply the state law. In either case, it follows that the decision of the Circuit Court of Appeals should be reversed.

Respectfully submitted,

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FEB 16 1945
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1944.

No. 882

W. F. AND JOHN BARNES COMPANY, JOHN S. BARNES CORPORATION AND ODIN CORPORATION,

Petitioners,

vs.

INTERNATIONAL HARVESTER COMPANY AND EX-CELL-O CORPORATION,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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SUBJECT MATTER INVOLVED.

Petitioners seek a review here on the naked question of "*costs*".

A summary of the litigation is set out in the petition (pp. 2-6). Some addition and comment is required both because of incompleteness of this summary and because it is so intertwined with self-serving conclusion and argument.

The present suit was one brought by petitioners for pat-

ent infringement and was of rather extraordinary dimensions. The Court of Appeals characterized it in its Opinion thus: "The original complaint and its amendments charged the defendants with infringement of fourteen patents, containing almost 1000 claims, of which plaintiffs relied on 129 as exemplary of various phases of the alleged inventions." (R. 198). "This was an unusually large patent suit in which many claims of the eleven patents remaining in issue were challenged. All of the patents were indeed intricate and required much testimony and demonstration for a correct solution of the problems presented." (R. 204).

As a matter of fact, the trial of the case and preparation of opinion occupied substantially one full year of the trial court's time, aside from the normal summer vacation period. Trial opened September 28, 1942, and continued through final argument until April 2, 1943, the Opinion being filed June 17, 1943.

At the conclusion of the trial every single patent claim in issue was held invalid (R. 148). And from that decree petitioners took no appeal whatever.

The appeal below was taken simply from the final order fixing the amount of costs.

What was sought in the Court of Appeals below, and what is sought here, is a review of such matters as how many days' subsistence for a certain witness were properly taxable under U. S. C. Title 28, Section 600c; what particular certified copies of file wrappers of patents procured from the Commissioner of Patents and offered in evidence were properly taxable as costs; and what other exhibits offered and received in evidence were properly taxable as costs.

Of the "colored charts and colored enlargements of

patent drawings" (Petitioners' item 1, p. 3), petitioners omit to mention that these were offered and received in evidence. Moreover, as the Court of Appeals said (R. 201) "So far as the record discloses [Petitioners'] offered no objection to such evidence." Petitioners' assertion that the trial court "made no finding that any of the charts was necessary to an understanding of the evidence or to prove the material facts of respondents' case" is merely pointless. The trial court entered its order upon the basis of respondents' Bill of Costs and Supporting Affidavits (R. 151-176). No counter-affidavits or other proofs were proffered by petitioners. "Findings" were therefore not required or even proper: *Lucking* v. *Delano* (App. D. C. 1941), 122 F. (2d) 21, 22; *Prudential Ins. Co.* v. *Goldstein* (D. C. N. Y. 1942), 43 F. Supp. 767, 768; *Somers Coal Co.* v. *U. S.* (D. C. Ohio 1942), 2 F. R. D. 532, 533.

The same considerations apply to items 2 and 3 in the petition (pp. 3-4).

The Court of Appeals said as to all these items (R. 201-202), "the reasonable expense of their procurement" was properly taxable as costs "if the court reasonably thought they were necessary and helpful to an expeditious and proper trial of the issues." Moreover, the Court of Appeals observed: "That the district court was of this opinion is clearly to be implied from that court's action in approving the taxation, and it is clearly supported by appellees' supporting affidavits, which are not in any manner controverted by appellants."

ARGUMENT.

Summary of Argument.

No matter of sufficient public interest is, we believe, involved to warrant issuance of the writ prayed.

The controversy is, in essence, simply: What amount of costs shall petitioners be required to pay in this litigation whose merits have long since been decided?

Petitioners' assertion that they are not concerned with mere "amount" of the costs is belied by their repeated reference to the sums involved. Considered in the perspective of the size of the original case, length of trial, etc. (*ante*, p. 2), the amounts are, however, merely nominal.

Indicative of the probable lack of merit in petitioners' contentions is the consistency with which they have heretofore been rejected. The Clerk of the District Court who originally taxed the costs, the trial Judge who denied petitioners' motion to retax, and the Court of Appeals in its unanimous decision, have all rejected petitioners' contentions *in toto*.

In support of our submission that the writ should not issue, we have, by way of preliminary, reviewed the decision of the Court of Appeals below, and have thereafter sought to show that the "questions" and "reasons" alleged by petitioners are not of a character to warrant review, that there is no diversity of opinion between Circuit Courts of Appeals, alleged or extant, that the taxation of costs complained of is in fact in accord with generally accepted practice in patent infringement causes in the Federal Courts, that petitioners' proposal that this Court overrule its own applicable prior decisions is without merit,

and that the minutiae of cost items which petitioners seek to spread before this Court involve matters of detailed review not properly cognizable in this or any other appellate court.

Summary Outline of the Decision of the Court of Appeals Below.

In its decision (R. 198) the Court of Appeals considered in some detail and approved of the taxation of costs for each of the items set out in the petition.

Throughout the opinion it is apparent that the Court of Appeals regarded itself as proceeding under well-established authority and without occasion for establishing any "new law".

The first three items listed in the petition (pp. 3-4) comprise charts, simplified drawings of the accused machines, models, and the like. In considering whether or not the reasonable cost of preparing them was properly taxable as costs, the Court of Appeals observed (R. 200):

> "Plaintiffs urge that there must be specific statutory authority before an item may be taxed as costs, and that cost statutes must be strictly construed. The statute from which, they contend, authority to tax all party and party costs is derived is the Fee Bill Act of 1853, 28 U. S. C. A. section 830, which reads as follows:
>
> * * * * *
>
> "Our Supreme Court has interpreted this section of the statute adversely to plaintiffs' contention."

And after quoting from *Ex parte Peterson*, (1920) 253 U. S. 300, the Court observed:

> "This ruling was not in derogation of Section 830, but in effect it held that that section applied only to the costs therein specifically referred to.
>
> * * * * *

"It is quite true that in the *Peterson* and *Newton* cases the items in issue were of a different specific character than those now before us. However, those courts held that such items were properly charged as costs not because of express statutory enactment, nor because of the specific character of the item, but because of long continued usage, confirmed by implications from provisions in many statutes. The effect of such ruling was to place within the trial court, in equity proceedings, a large discretion in admitting in evidence all pertinent matters which in the court's view would expedite the trial, and which would give the court and the parties a clearer conception of the points in issue. Generally speaking, such practice must of necessity redound to the benefit of the parties as well as the court. We have found this to be true in this court, and from the district court's rulings in this case, we apprehend that it is true of all other courts."

Thereafter the Court cited various cases indicative of the practice of receiving in evidence exhibits of the type in question in patent infringement cases and taxing the same as costs where the trial court had found them to be reasonably necessary for proper understanding of the controversy.

Certainly there was nothing in the foregoing which constituted any departure from precedent or established practice.

Of the numerous cases which have placed an identical interpretation on the *Peterson* and *Newton* Cases from this Court, see *Barber-Coleman* v. *Withnell* (D. C. Mass. 1928), 28 F. (2d) 543, 544; *T. H. Symington & Sons, Inc.* v. *Symington Co.* (D C. Md. 1935), 12 F. Supp. 391, 392; *Lambert* v. *Williams Lime Mfg Co.* (D. C. Tenn. 1941), 39 F. Supp. 18, 19.

Great reliance is placed in petitioners' brief (pp. 20-23) upon the decisions of this Court in *Kansas City Southern*

Ry. Co. v. *Guardian Trust Co.* (1930), 281 U. S. 1, and *Rude* v. *Buchhalter* (1932), 286 U. S. 451. Both are cases dealing with attorneys' fees, an item specifically covered by the statute (U. S. C. Title 28, Section 830) and were carefully considered by the Court of Appeals below (R. 202).

Next in order the Court of Appeals treated the cost of taking and certifying depositions, reaching a conclusion squarely in accord with an earlier decision of the Second Circuit Court of Appeals, and saying:

> "Item 6 of our summary of items relates to expenditures for taking and certifying depositions, and for the notary's per diem, in excess of fees specified in 28 U. S. C. A. section 597. This question has been decided by the Second Circuit in *Harris* v. *Twentieth Century-Fox Film Corporation, supra.* That court held that, under Rule 80 of the Rules of Civil Procedure, such expenditures may be taxed ultimately as costs, in the discretion of the court. We concur in the conclusions of that opinion."

Of the propriety of taxing the cost of certain file wrappers of patents offered and received in evidence, the Court of Appeals said:

> "The file wrappers in question are those of patents issued on applications filed prior to that of the particular patent or patents in suit against which they were pleaded, but which actually matured into patents after the filing of the corresponding patent here in suit. We think it is fair to assume from plaintiffs' statement of their contention and from the court's finding of facts and its opinion, that many of such file wrappers of the prior art were used and referred to by the court. For us to say now that they were not necessary nor helpful to the court's rightful determination of the cause would be indulging in an unwaranted presumption. Such evidence was material and admissible. See *Milburn Co.* v. *Davis Co.*, 270 U. S. 390."

After elaborating somewhat further on its reasons on that point, the Court of Appeals, took up the matter of the number of days for which attendance and subsistence fees should be allowed for defendants' expert. It appeared that he "was in attendance at the trial on 123 separate days", and that he "testified on sixty-nine separate days", although the latter "were not all consecutive days" (R. 204). In overruling petitioners' contention that the fee should be limited to the actual days he was testifying, the Court said:

> "This was an unusually large patent suit in which many claims of the eleven patents remaining in issue were challenged. All of the patents were indeed intricate and required much testimony and demonstration for a correct solution of the problems presented. Every claim was held invalid, and from that decision no appeal was prosecuted. It is indeed difficult in such cases for the court or the attorneys to determine precisely when a witness will be used, or when he may be excused from attendance even after he has testified. We think it would be unfair to require the attorneys on either side to determine at the beginning of a trial the exact order in which their witnesses will be used. Nor is it usually determinable by the opponents or by the court when or how often a witness will be recalled for cross-examination, or for further examination by the court. In a case of this magnitude it would be most difficult for us to say the trial court had erred in not excusing this expert before all of the evidence in the case had been concluded. A reading of the findings and conclusions of law, and the written opinion of the court, convinces us that it would have been very unwise on the part of the court or of the defendants, to have excused the defendants' expert until the evidence was closed. The court did not allow per diem and subsistence to this witness during his attendance at the argument of the case and this was right, but we cannot say that the court erred in allow-

ing the other items. This record comes to us with the court's approval of the claim. We think it was a matter solely within its discretion, and we cannot say that discretion was abused."

There is nothing here even remotely resembling a grant of unbridled discretion to a trial court. Discretion was permitted only with respect to such aspects of the matter as are inherently and inevitably peculiarly within the knowledge of the trial judge.

Petitioners Have Presented No "Question" or "Reason" Adequate to Warrant Issuance of the Writ.

A glance at the list of "Questions Presented" (pet. pp. 8-9) is sufficient to show that no cleancut issue of any general or public interest is involved.

The first "question" has been worded in such an anxiety to suggest a favorable answer as to amount simply to the ridiculous inquiry: Are anything but legally taxable items legally taxable?

The remaining questions are so interlarded with exceptions and qualifications as to have little or no real significance. They finally taper off into such inconsequential detail as the amounts of "notaries' charges" and "attendance and subsistence fees" for a particular witness while he was in attendance at trial but not actually on the witness stand.

Such failure to present any broad question for review is symptomatic of the fact that all petitioners are really concerned with is in achieving a reduction in the amount of costs charged against them in this particular case. But more than that is required for issuance of a writ of certiorari. As Messrs. Frankfurter and Landis put it in

summarizing the applicable authorities in 43 Har. L. Rev. 33, 52:

> "In its general practice the court has made abundantly clear that certiorari cannot serve as relief merely from an erroneous result or even from individual hardship."

Petitioners' preoccupation with what they conceive to be the erroneous result in this particular case, as distinguished from grounds of public policy which would warrant issuance of the writ, is indicated by the form of "conclusion" at the end of their brief. Such conclusion is not that a writ should be issued; in fact, there is no mention of that at all. On the contrary, it goes to the ultimate conclusion "that the decision of the Circuit Court of Appeals should be reversed."

The "Reasons for Granting the Writ" advanced by petitioners (pp. 9-10) are equally barren. The first two suggest that the decision of the Court of Appeals was probably in conflict with applicable decisions of this Court, and the third that the Court of Appeals' construction of the Fee Bill Act of 1853 requires an exercise of this Court's power of supervision. Such alleged "reasons" are but argumentative restatements of what petitioners believe the law ought to be, apparently suggested by the language of Rule 38 of this court.

The premises of all three "reasons" fail, for the Court of Appeals did *not* permit "a district court to tax as costs, items not made taxable as such by statute, rule or practice", it did *not* reach "the conclusion that a federal court of equity sitting in Illinois has a discretion to define what expenditures of litigation are taxable as costs to either party", and the Court of Appeals did *not* purport "to construe the Fee Bill Act of 1853 without considering legislative intent." On the contrary, it followed well-established

federal practice (*post*, pp. 12-13) and adopted this court's own interpretation of the Fee Bill Act (*ante*, pp. 5-6).

The first two of the cases which petitioners cite (footnote 4 on p. 9) as being contrary to the decision of the Court of Appeals below are in fact the very precedents on which that Court particularly relied. Petitioners' proposition thus hangs by the tenuous thread of their own peculiar interpretation of those cases.

The Decision Below Is in Accord With Prevailing Practice.

Aside from the Seventh Circuit Court of Appeals, whose decision is here in question, both the Second and Ninth Circuit Courts of Appeals have had occasion to pass on similar questions of costs in patent infringement cases. Their decisions are substantially in accord.

The Second Circuit Court of Appeals first passed on the matter in *Victor Talking Machine Co.* v. *Starr Piano Co.* (C. C. A. 2, 1922), 281 Fed. 60, where they allowed as costs an expenditure for motion pictures and photographs of cutting tools because "necessary to enable the trial court to understand the processes and to make a proper record for review." That same Court had occasion to review the question again in *Appliance Investment Co.* v. *Western Electric Co., Inc.* (C. C. A. 2, 1932), 61 F. (2d) 752, 756. In the latter instance they allowed as costs "expense incurred in providing simplified drawings for use in making more clear at the trial the drawings of patents having a bearing on the issues." The Ninth Circuit Court of Appeals also allowed expenditures for charts as costs in a patent infringement suit in *Reinharts, Inc.* v. *Caterpillar Tractor Co.* (C. C. A. 9, 1938), 99 F. (2d) 648, 649, citing the *Appliance Case* as precedent.

No contrary decisions by Circuit Courts of Appeals have been cited by petitioners nor are we apprised of any.

The District Court decisions are, as might be supposed, somewhat more numerous, but they are equally unanimous. Instances in which expenditures for charts and the like similar to those here in question were held to be taxable, if necessary to proper consideration of the case, include: *Barber-Coleman Co.* v. *Withnell* (D. C. Mass. 1928), 28 F. (2d) 543, 544; *T. H. Symington & Sons, Inc.* v. *Symington Co.* (D. C. Md. 1935), 12 F. Supp. 391, 392; *Lambert* v. *Williams Lime Mfg. Co.* (D. C. Tenn. 1941), 39 F. Supp. 18, 19; *Goodrich* v. *Ford Motor Co.* (D. C. Mich. 1940), 47 U. S. P. Q. 501; *Eickhoff* v. *Vulcan Iron Works* (D. C. Pa. 1942), 2 F. R. D. 490; *Gotz et al.* v. *Universal Products Co.* (D. C. Del. 1943), 3 F. R. D. 153, 155; *Swan Carburetor Co.* v. *Chrysler Corp.* (D. C. Mich. 1944), 61 U. S. P. Q. 475.

That the decision of the Circuit Court of Appeals below in the present case was completely in accord with prevailing opinion and practice is clear.

Petitioners' Proposal That This Court Overrule Its Decision in Ex Parte Peterson Is Without Merit.

A large part of petitioners' brief is devoted to support of their contention that the decision of the Court of Appeals below is in conflict with the applicable decisions of this Court (pp. 13-17).

Those same arguments were urged before the Court of Appeals and disposed of in the latter Court's opinion (see R. 202 and *ante* p. 7). The Court of Appeals did not undertake any new construction of the Fee Bill Act of 1853 but simply, as it stated, followed the dictates of this Court in *Ex parte Peterson* (1920), 253 U. S. 300, reiterated in *Newton* v. *Consolidated Gas Co.* (1924), 265

U. S. 78. Accordingly, all of petitioners' argument about lack of consideration of legislative intent is groundless.

Petitioners evidently felt their argument as to *Ex parte Peterson* left something to be desired, for they conclude discussion of it (their brief pp. 28-31) with a section suggesting that it should be overruled.

The decision in *Ex parte Peterson,* written by the late Mr. Justice Brandeis for a unanimous court, has stood without question in this Court for well over two decades. No merit is seen in petitioners' contention that it should be disturbed.

The working of the practice laid down in the *Peterson Case* is characterized by the Court of Appeals below as being "such a practice" that it "must of necessity redound to the benefit of the parties as well as the court". (R. 201.) To add its own testimony on the point, the Court went on to say, "We have found this to be true in this court, and from the district court's rulings in this case, we apprehend that it is true of all other courts."

The like result in other courts is attested by the decisions cited previously herein (*ante* pp. 12-13).

Petitioners have shown no reason in policy or logic why a practice long established, generally accepted, and beneficial in its results, should be disturbed.

Petitioners Seek to Bring Here Detail Matters Commonly Handled in the Clerk's Office.

Petitioners' learned discourse on legislative history, etc., to the contrary notwithstanding, much of what they seek to put before this Court for review is but the minutiae of this or any other case.

Surely when the Clerk of the District Court and four Federal Judges (one in the District and three in the Court

of Appeals) have already pondered the question of whether one of respondents' witnesses should receive an attendance fee of $2.00 per day and a subsistence fee of $3.00 per day, for 123 days rather than 69 days, there is no reason for petitioners to burden this Court with the profundities of that problem.

So, too, with the other items here. They cover simply what are admitted to be a reasonable cost of exhibits offered and received in evidence. Surely no useful purpose is to be served in having this Court plow through the Record of a case long since concluded, and which took nearly a year to try, in order to reappraise the "necessity" of each of those hundreds of exhibits. That is and always has been peculiarly the province of the trial court. And that is precisely what the Court of Appeals held in this case.

From being the proponents of a set of patents that were to dominate an industry, petitioners have now finally come down to what is so far an endless series of appellate proceedings over how many days a witness should be paid statutory per diem fee, etc. It is, we respectfully submit, time the books were closed on this case once and for all.

Conclusion.

The petition for writ of certiorari should be denied.

Respectfully submitted,

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FEB 20 1945
CHARLES ELMORE CROPLEY
CLERK

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The respondents' Argument in opposition to the writ of certiorari raises several interesting points which require a brief reply.

The respondents themselves have pointed to the Court at least one impelling reason for granting certiorari. At pages 13 to 14 the respondents have concluded their opposition brief with the observation that the question before the court involves "detail matters commonly handled in the clerk's office". **That is the very point which the petitioners have pressed throughout this entire cost litigation.** Whereas the allowance of costs is a judicial function and the court has discretion to allow, withhold or apportion legally taxable costs, the actual taxation is merely a ministerial function of the clerk. In fact, rule 54-d of the Rules of Civil Procedure provides: "Costs may be taxed **by the clerk**

on one day's notice". This Court only recently has held that "ordinary taxable costs" are "of a routine character", namely, the "fixed allowances for the various steps in a suit * * * known as costs 'between party and party' ".[1]

Since the parties are in agreement that the taxation of party and party costs is merely a routine duty of the clerk of court, it is obvious that there is no room for discretion. Instead the clerk must point to some statute or rule of court showing the items which may be taxed and the "fixed allowance" made taxable. The clerk of court is a mere ministerial officer directed, by law, to perform a ministerial act without any superintending agency.[2] His powers permit no exercise of judicial functions. Therefore there can be no discretion in mere taxation. The province of the clerk is limited to the ministerial service of comparing a proposed charge with the particulars set forth in the statute or rules of court as taxable. When the charge is not found to fall within the enumerated and designated fees, **it must be rejected.**[3]

The respondents' own observation that the taxation of costs is ministerial establishes the necessity for granting the petition. This court should make it clear to trial courts that the taxation of costs is purely a ministerial function of determining whether a given item and amount is rendered taxable by any statute or prior rule. The discretion which courts have on questions of costs is limited to discretion to allow, withhold, or apportion legally taxable items. The discretion must always be exercised within the framework of the law.

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1. *Sprague* v. *Ticonic* (1939) 307 U. S. 161, 168, 165.

2. *Custiss* v. *The Georgetown and Alexandria Turnpike Company* 6 Cranch. (10 U. S.) 233, 236; See also 10 Am. Jur. 951, Clerks of Court, Sec. 16.

3. *Dedekam* v. *Vose,* 7 Fed. Case. 339, 340, Case No. 3731.

At page 9 the respondents embark upon the specific point that there is no clean-cut issue of any general or public interest involved. This is perhaps novel but even a hurried consideration proves it to be utter nonsense. Costs are taxed against at least one of the parties in nearly all litigation; every citizen is vitally interested in costs. One of the first questions a client asks his attorney before litigating is "How much will it cost?" If it is too much, then the doors of the courts may be closed to an otherwise deserving and injured party. But at least, even if costs be high and be known beforehand, the litigant has an opportunity to evaluate the probability of success against the cost of justice and to govern his financial affairs accordingly. However, if the present decision shall stand and there shall be no guiding statute or rule, no litigant can be advised beforehand. The broad question is "Does the assumption of discretion on cost questions, uncontrolled by statute or rule, tend to close the courts to the public?" That it may, is obvious.

The importance of the present issues to the general public is illuminated by the respondents' facetious observation that the petitioners' questions "amount simply to the ridiculous inquiry: Are anything but legally taxable items legally taxable?" Ridiculous as it may seem, that, in fact, is the very question before the Court. If items are not rendered legally taxable by statute, rule or practice, does any court or clerk have authority to tax them?

With Circuit Courts of Appeals disagreeing as to the interpretation to be placed upon the *Peterson* and *Newton* cases (Petition, pages 28-30), an important and practical question of law, involved in every suit, is unsettled. Doubts should be resolved, whether the instant decree be affirmed, reversed or modified.

At page 12, the respondents find without merit the Petitioners' suggestion that the decision in *Ex parte Peterson* should be overruled. **The respondents have misstated the petitioners' position.** The petitioners' position was that the decision should be **either** limited or overruled. If limited as suggested by the petitioners, then the respondents are correct in their statement that the opinion "has stood without question in this court for well over two decades". But limited, that decision does not support the instant taxation. However, if not so limited, then the only construction of the opinion which supports the instant taxation has been overruled twice by this court.[4] The petitioners' brief demonstrates that the opinion has caused much confusion and uncertainty (Petition, pps. 28 to 31). Truly the case requires limitation or clarification; perhaps it should be overruled.

The foregoing general observations taken out of order are believed to show the necessity for certiorari. Petitioners now discuss the respondents' remaining points in their order of presentation in respondents' opposition brief.

At page 2, respondents fuss as to the length and complexity of the trial below. As we view it, this is interesting, but wholly immaterial, to the question before the court. The courts should be kept open freely to all suitors equally and no person should be placed in the position where he need have fear to file suit against a wealthy litigant because his cause of action be long and involved. If size be a controlling factor, a taxation of illegally assessable items of costs might be in the highest degree oppressive. That it is in this case is self-evident. General rules

4. *Guardian Trust Co.* v. *Kansas City Southern Ry. Co.* (C. C. A. 8 1928), 28 F. (2d) 233, 242, 243. Reversed 281 U. S. 1. *Buchhalter* v. *Rude* (C. C. A. 10, 1931), 54 Fed. (2d) 834, 838. Reversed 286 U. S. 451.

for the taxation of costs should be established[5] and they should be such that they will not be oppressive in any case, large or small. Further, they should be uniform.

At page 3, the respondents assert that it "is merely pointless" for the petitioners to observe that there were no findings to support the disputed items and amounts. **This assertion is unsound.** There can be no denial that the parties actively controverted the fact of whether the disputed items and amounts were identified as such under Acts of Congress, rules promulgated by its authority and practice established consistently with governing enactments.[6]

The trial court considered the motion to retax costs on the ground that "said items are unwarranted" and "are not allowable" (R. 177). In the trial of this issue of fact the respondents relied upon affidavits; the petitioners relied upon the record in the trial of the main case and upon the nature of the items for which taxation was sought. For petitioners there was no need for affidavits; the record was clear. An affidavit could add and prove nothing. There being an issue of fact, it behooved the respondents to see to it that every fact essential to the relief they sought was directly and unequivocably stated in the findings.[7]

No findings having been made by the Court, the only conclusion to be drawn is that the Court could not support its judgment by any findings of fact or conclusions of law. In effect, it found that no statute, rule, or practice per-

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5. *Hussey* v. *Bradley*, 12 Fed. Cas. 1059, Case No. 6946a.

6. *Kansas City Southern Rwy. Co.* v. *Guardian Trust Co.*, 281 U. S. 1, 9.

7. *Wesson* v. *Saline County* (C. C. A. 7th, 1896), 73 F. 917, 918; *Sneed* v. *Sabinal Mining & Milling Co.* (C. C. A. 7th, 1896) 73 F. 925, 926; *Daube* v. *Philadelphia & Reading Coal & Iron Co.* (C. C. A. 7th, 1897) 77 Fed. 713, 716; and *United States* v. *Harris* (C. C. A. 7th, 1897) 77 F. 821, 825. See also Rule 52 (a), Rules of Civil Procedure.

mitted taxation of the items disputed herein; it relied upon an assumed discretion. Hence, it is manifest that the petitioners' observation with respect to findings is **not** "merely pointless."

At page 5, the respondents place considerable reliance upon the observation of the Circuit Court (R. 200; 145 F. (2d) at p. 917) that The Fee Bill Act, especially U. S. Code, Title 28 Sec. 830 "applied only to the costs therein specifically referred to". **This observation by the Circuit Court of Appeals is contrary to the law.** If Congress so intended, it would be quite unnecessary to provide so gravely that "the following and no other compensation shall be taxed and allowed"; that certain specifically enumerated items "shall be taxed * * * and be included in * * * a judgment or decree"; and that "all laws and regulations heretofore made * * * are hereby repealed and abrogated".

Indeed, if Congress had intended The Fee Bill to cover only a small portion of the field of cost taxation, it would be wholly unnecessary for it to trammel the Act with these conditions. This statute certainly cannot be construed as being limited in scope. There is not a single word in the entire statute which grants to any trial court discretion to tax items or amounts not enumerated therein, nor is there any implication that the trial court has such power.

When Congress repealed all incompatible prior laws and regulations and provided that certain named items "shall * * * be included," it used the word *included* as one of limitation or enumeration, not as a word of extension or enlargement. When the word *included* is used as a participial adjective, it is a word of confinement. Any doubt is resolved quickly and correctly by the maxim *expressio unius est exclusio alterus* and by the intention of Congress as explained on the floor by those in charge of The Fee Bill.

There can be one answer only to the respondents' continued efforts to gloss over the failure of the trial court to make supporting findings of fact and conclusions of law and for the opinion of the Circuit Court of Appeals that there is no necessity for statutes and rules or practice supported thereby. That answer is that **there is no authority for the disputed taxation.** This entire taxation is supported by an assumed discretion.

At page 6, the respondents refer to that portion of the opinion which recites that a trial court in equity has a large discretion to admit evidence. That is true, but immaterial. The argument as to admissability of evidence has no force when applied to the question of cost taxation. With respect to the taxation as costs of items of evidence, Congress has denied that the trial courts have any discretion. Congress says that "**lawful fees** for exemptions and copies of papers necessarily obtained for use on trials"[8] may be taxed. Through the years, Congress provided lawful fees for a multitude of items which might be introduced in evidence, but consistently failed to provide lawful fees for the items herein disputed. There is no statute, rule, or practice which establishes a lawful fee for the items herein taxed.

Congress having prescribed the amount to be allowed for procuring documents as "lawful fees", its enactment controls over any constructive arguments based upon the *Peterson* case.[9] Nor is there any statute, rule or practice granting to any trial court the discretionary power to tax expenses in lieu of lawful fees. If there is such discretionary power in a trial court, **the respondents should point out its source.**

8. U. S. Code, Title 28, Section 830.
9. *Henkel* v. *Chicago, etc. Ry.*, 284 U. S. 444, 446.

At pages 6 and 7, the respondents have inferred that both *Kansas City Southern Railway Co.* v. *Guardian Trust Co.*, 281 U. S. 1, and *Rude* v. *Buchhalter*, 286 U. S. 451, are cases dealing **only** with attorneys' fees, an item specifically covered by statute. The respondents failed to show that both cases also denied expenses of litigation which were items not specifically covered by any statute. Each case covers "counsel fees **or other expenses.**"

Respondents' theory is that if the statute establishes a fee, the courts are bound thereby, but that if no statute establishes a fee, then the courts have a discretion. Their lack of candor with respect to this theory is evidenced by their next paragraph discussing deposition expenses (a relatively small item here, but still the sizeable amount of $2,349.49, R. 160-161). As to this item, the statutes grant a stated fee to the officer taking and certifying the deposition but the court went beyond that statutory fee. This Court distinguishes the *Peterson* case under these circumstances and held "* * * when the Congress has prescribed the amount to be allowed as costs, its enactment controls."[10]

At page 10 the respondents assert that the Court of Appeals did not permit "a District Court to tax as costs, items not made taxable as such by statute, rule or practice." **This statement is wrong.** The Circuit Court of Appeals abandoned U. S. Code, Title 28, §830, the cost granting section of The Fee Bill Act, and, even upon the incidental question[11] of deposition costs refused to be controlled by U. S. Code, Title 28, §597. With respect to rules or prac-

10. *Henkel* v. *Chicago, etc. Ry.* 284 U. S. 444, 446.

11. Even though the greatest volume of respondents' answer is devoted to deposition fees, they play but an incidental part in this entire litigation. Deposition expenses taxed total $2,349.99. Other items total $28,209.42.

tice no one has pointed to any rule of court or established practice that defines the instant items as taxable costs.

The respondents continue on page 10 and assert that the Circuit Court of Appeals did not reach "the conclusion that a federal court of equity sitting in Illinois has the discretion to define what expenditures of litigation are taxable as costs to either party." **This assertion is also false.** The opinion of the Circuit Court specifically holds (R. 201) "the District Court is entrusted with discretionary power * * * to tax as party and party costs the reasonable expenses of * * * procurement (of such items of evidence as numbers 1, 2, 3, 4 and 5 of the Court's opinion) if the court reasonably thought they were necessary and helpful to an expeditious and proper trial of the issues." Further, the opinion is liberally interspersed with numerous observations that a trial court has discretion in these matters. The premise upon which Petitioner's question 3 is based (Petition, page 8) is merely a paraphrase of the entire opinion.

On the same page the Respondents next state that the Circuit Court of Appeals did not purport "to construe The Fee Bill Act of 1853 without considering legislative intent". **Again the Respondents have misstated the facts.** That the Circuit Court of Appeals construed The Fee Bill Act is self-evident (R. 200). That it did not consider the legislative intent is also self-evident. The Circuit Court of Appeals held that the Act "applied only to the costs therein specifically referred to." It could not have reached this holding if it had considered the intent of Congress; Congress intended that "no other compensation shall be taxed and allowed" (Petition p. 6); that certain specifically named items "shall be taxed * * * and be included in * * * a judgment or decree" (Petition p. 7); that "all laws and regulations heretofore made * * * are hereby repealed and

abrogated'' (Petition, p. 7); that the bill prescribes ''item fees for every item that should be taxed'' (Petition p. 7); that the act is designed ''to prescribe the costs'' (Petition p. 8); and that the bill prescribes ''a limited number of definite items to be allowed.'' (Petition p. 8). The holding of the Circuit Court of Appeals is wholly incompatible with the intention of Congress as expressed both in The Fee Bill Act itself and upon the floor of Congress.

Next, page 11, the respondents find fault that petitioners rely upon the *Peterson* and *Newton* cases to show the taxation to be illegal. Respondents assert that petitioners' argument ''hangs by the tenuous thread of their own peculiar interpretation of those cases.'' Oddly enough, the ''peculiar'' interpretation is identical with that placed upon those two cases by the Supreme Court itself. The approved interpretation does not justify the instant taxation (Petition, pps. 30 and 31, footnotes 20 and 24). The ''sound'' interpretation of respondents, as placed upon those two cases by the respondents and by the Circuit Court of Appeals in the instant case, is identical with that twice reversed by the Supreme Court (Petition pps. 30, 31, footnotes 22 and 23).

At pages 11 and 12, the respondents cite several cases to argue that the instant decision is in accord with applicable practice. We do not analyze the cases here because they are contrary to the established practice. There is no question that the long established practice, starting prior to The Fee Bill Act and continuing consistently to 1944,

forbids taxation of the items herein disputed.[12] Moreover, each of the cases cited by respondents is distinguishable—each represents an exception not present here, such as state law, absolute (not reasonable) necessity, and the like. Further, many of them disallow taxation of the items disputed herein. If the practice be changed, it should be changed by rule of court or statute prospectively applied rather than by an innovation in behalf of a particular litigant.[13] *Ex post facto* law is as contrary to public policy in cost taxation as it is in all other law.

The interesting observation is that all of the cited cases are subsequent to the *Peterson* case. Prior to that case, no federal court allowed such items as costs. Even after that case, the majority disallow them. The decisions are not "equally unanimous" (Opposition brief, p. 12); in-

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12. *Hathaway* v. *Roach* (C. C. Mass. 1846), 11 Fed. Cas. 818, Case No. 6213; *Parker* v. *Bigler* (C. C. Pa. 1857), 18 Fed. Cas. 1115, Case No. 10,726; *Hussey* v. *Bradley* (C. C. N. Y. 1864), 12 Fed Cas. 1059, Case No. 6946a; *Wooster* v. *Handy* (C. C. N. Y. 1885), 23 Fed. 49; *Cornelly* v. *Markwald* (C. C. N. Y. 1885), 24 Fed. 187; *Tuck* v. *Olds* (C. C. Mich. 1886), 29 Fed. 883; *The Vernon* (D. C. Mich. 1888), 36 Fed. 113; *Kelley* v. *Springfield* (C. C. Ohio 1897), 83 Fed. 183; *Bone* v. *Walsh Constr. Co.* (D. C. Iowa 1916), 235 Fed. 901; *In re First Bond & Mortgage Co.* (C. C. A. 5, 1935), 74 F. (2d) 930; *T. H. Symington & Son* v. *Symington Co.* (D. C. Md. 1935), 12 F. Supp. 391; *Galion Iron Works & Mfg. Co.* v. *Beckwith Machinery Co.* (D. C. Pa. 1938), 25 F. Supp. 591. *Raffold Process Corporation* v. *Castanea Paper Co.* (D. C. Pa. 1938), 25 F. Supp. 593; *Cincinnati Traction Bldg. Co.* v. *Westinghouse Air Brake Co.* (D. C. Pa. 1939), 27 F. Supp. 329; *B. B. Chemical Company* v. *Cataract Chemical Co., Inc.* (D. C. N. Y. 1941), 2 F. R. D. 159, 51 U. S. P. Q. 323; *Lambert* v. *Williams Lime Mfg. Co.* (D. C. Tenn. 1941) 39 F. Supp. 18; *Glade, Jr.* v. *Walgreen Co.* (D. C. Ill. 1942), 46 F. Supp. 396; *Lykken* v. *International Pulverizing Corp.* (D. C. N. J. 1942), 55 U. S. P. Q. 443; *Austral Sales Corporation et al.* v. *Chamberlin Metal Weather Strip Company* (D. C. N. Y. 1943), 58 U. S. P. Q. 591; *Gotz et al.* v. *Universal Products Company, Inc.* (D. C. Del. 1943), 3 F. R. D. 153, 58 U. S. P. Q. 510; and *Criner* v. *Micro-Westco, Inc.* (D. C. Iowa 1944), 61 U. S. P. Q. 431, 3 F. R. D. 495.

13. *Kroger Grocery & Baking Co. et al.* v. *Martin et al.* (C. C. A. 6, 1938) 97 F. (2d) 348, 349; *Arcambel* v. *Wiseman*, 3 Dall. (3 U. S.) 306.

stead, the indefinite dictum in the *Peterson* case has caused a **"hopeless confusion"** (*Criner* v. *Micro-Westco, Inc.*, 3 F. R. D. 495, 497), which should be resolved through the grant of certiorari.

Further, even if respondents' interpretation of the cited cases were correct, none is authority for the instant taxation. These cases, at most, evidence the practice in the 2nd and 9th Circuits and in scattered District Courts in Mass., Md., Tenn., Mich., Pa., and Delaware. No one can honestly state that any of those courts has authority to establish or even to evidence a rule of practice or a rule of court within this district. True the Supreme Court has that authority;[14] the Circuit Court of Appeals may have it; and so does the District Court itself.[15] But no other court has that authority or power.

The cited cases cannot be authority for any nationwide practice, for there is no general common law of the United States.[16] No principle pervades the union and has the authority of federal law unless it is embodied in the Constitution or laws of the union. Hence, in the absence of controlling federal statute, one must look to the state law,[17] even on cost questions.[18]

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14. U. S. Code, Title 28, Sections 723(b), and 723(c) and 730. Perhaps, the Act of August 23, 1842, Chapt. 188, 5 Stats. at L. 516 is also applicable.

15. U. S. Code, Title 28, Section 731. See also Act of March 3, 1851, Chapt. 44, which grants to the District Court of Illinois power to establish **rules and regulations** of the fees and costs to be taxed therein. The act grants no discretion.

16. *Wheaton, et al.* v. *Peters, et al.* (1834. Suit in Equity) 8 Peters (33 U. S.) 591, 658; *Erie Railway Company* v. *Tomkins* (1938. Action at Law) 304 U. S. 64, 78.

17. *Erie Railway Co.* v. *Tomkins* (1938) 304 U. S. 64, 78.

18. *Ex parte Peterson* (1920) 253 U. S. 300; *Sioux County* v. *National Surety Co.* (1928) 276 U. S. 238, 241; *Henkel* v. *Chicago etc. Ry.* (1932) 284 U. S. 444, 446; *The Baltimore* (1869), 8 Wall. (75 U. S.) 377, 390-391.

Therefore, even if the cases cited by the respondents were in accord with practice in other federal jurisdictions (which they are not) they afford no weight to an answer of a question arising from a District Court sitting in Illinois.

CONCLUSION.

In conclusion the petitioners respectfully submit that the instant case is one involving a question of great and impelling public interest. This Court should exercise its discretion to grant certiorari to eliminate the present confusion in the law relating to the taxation of costs in the Federal Courts.

Respectfully submitted,

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